

**OZARK COUNTY HEALTH DEPARTMENT**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

***Thomas and Company***

**Certified Public Accountant**

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*James K. Thomas, CPA*

400 Hailey Street  
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(417) 683-3091

*Committed To  
Quality, Excellence,  
Professionalism &  
Confidentiality*

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# *Thomas & Company*

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## **INDEPENDENT AUDITOR'S REPORT**

To The Board of Trustees of  
Ozark County Health Department

### **Opinions**

We have audited the accompanying modified cash basis financial statements of the governmental activities and the major fund of the Ozark County Health Department as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Ozark County Health Department's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities and the major fund of the Ozark County Health Department, as of December 31, 2022, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ozark County Health Department, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of Matter—Basis of Accounting**

We draw attention to Note 1.A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note A, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ozark County Health Department's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ozark County Health Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Other Matters**

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises of the budgetary comparison information but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.

If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Gainesville, Missouri  
July 25, 2023

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT  
AUDITING STANDARDS***

To The Board of Trustees of  
Ozark County Health Department

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Ozark County Health Department, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Ozark County Health Department’s basic financial statements, and have issued our report thereon dated July 25, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Ozark County Health Department’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ozark County Health Department’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Ozark County Health Department’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item Finding 2022-1 that we consider to be a material weakness.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Ozark County Health Department’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Ozark County Health Department's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Ozark County Health Department's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Ozark County Health Department's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gainesville, Missouri  
July 25, 2023

**OZARK COUNTY HEALTH DEPARTMENT  
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS FOR THE  
YEAR ENDED DECEMBER 31, 2022**

**Finding 2022-1 – Internal Control**

**Criteria:** Segregation of duties to minimize the occurrence of errors or fraud by ensuring that no employee has the ability to both perpetrate and conceal errors or fraud in the normal course of their duties. Primary duties that should be segregated include authorization, custody, record keeping and reconciliation.

**Condition:** The accounting function lacks segregation of duties and responsibilities in the payroll, expenditures, receipts and reporting cycles. The bookkeeper's responsibilities include authorization, recording and reporting of financial data.

**Effect:** Increases risk misstatements to the financial statements may not be prevented or detected and corrected on a timely basis.

**Cause:** Insufficient number of personnel in the accounting function to provide segregations of duties required for effective internal controls.

**Recommendation:** Management should routinely review accounting and financial data to provide additional safeguards to timely detect and correct misstatements. The Department should evaluate the implementation of additional segregations of duties in the accounting function.

**Response:** Financial resources and budget constraints limit the application of ideal segregations of duties in the accounting function. Management will routinely review accounting information.



**OZARK COUNTY HEALTH DEPARTMENT  
STATEMENT OF NET POSITION - CASH BASIS  
DECEMBER 31, 2022**

**ASSETS**

Cash	\$ 130,834
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<b>TOTAL ASSETS</b>	<u>130,834</u>
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**NET POSITION**

Restricted for:

Food Pantry Operations	4,089
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OC Wellness	400
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Unrestricted	126,346
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<b>TOTAL NET POSITION</b>	<u>\$ 130,834</u>
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**OZARK COUNTY HEALTH DEPARTMENT  
STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Cash</u>		<u>Program Cash Receipts</u>		<u>Net</u>
	<u>Disbursements</u>		<u>Charges</u>	<u>Operating</u>	<u>(Disbursements)</u>
			<u>for</u>	<u>Grants and</u>	<u>Receipts and</u>
			<u>Services</u>	<u>Contrib.</u>	<u>Changes in</u>
					<u>Net Position</u>
<b>Governmental activities:</b>					
General & Building Admin	\$ 134,071	\$	\$		\$ (134,071)
Preventative Health Services	25,190		9,290	74,783	58,883
Women, Infants, & Children	39,056			39,504	447
Community Services	131,530		560	71,042	(59,928)
Emergency Planning	88,419			62,406	(26,012)
<b>Net program (disb) receipts</b>	<b>\$ (418,267)</b>	<b>\$</b>	<b>9,850</b>	<b>\$ 247,735</b>	<b>\$ (160,682)</b>
<b>General receipts:</b>					
Property Taxes					\$ 119,678
Investment Income					125
Other					292
<b>Total general receipts</b>					<b>120,095</b>
<b>Decrease in net position</b>					<b>(40,587)</b>
<b>Net position-Beginning of year</b>					<b>171,421</b>
<b>Net position-Ending of year</b>					<b>\$ 130,834</b>

The accompanying Notes to Financial Statements are an integral part of this statement.

**OZARK COUNTY HEALTH DEPARTMENT**  
**STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

	<u><b>General Fund</b></u>
<b>ASSETS:</b>	
Cash	\$ 130,834
<b>TOTAL ASSETS</b>	<u>130,834</u>
<b>FUND BALANCES:</b>	
Reserved-Food Pantry Operations	4,089
Reserved-OC Wellness	400
Unassigned	<u>126,346</u>
<b>TOTAL FUND BALANCES</b>	<u>\$ 130,834</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**OZARK COUNTY HEALTH DEPARTMENT  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>General Fund</b>
<b>REVENUES:</b>	
Local	\$ 127,958
County	2,218
State	1,354
Federal	241,234
Private Grants	4,500
Investment Income	125
Other	292
Total Revenues	<u>377,680</u>
<b>EXPENDITURES:</b>	
General & Building Administration	134,071
Preventative Health Services	25,190
Women, Infants, & Children	39,056
Community Services	131,530
Emergency Planning	88,419
Total Expenditures	<u>418,267</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(40,587)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>171,421</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 130,834</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**OZARK COUNTY HEALTH DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2022**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I.A. INTRODUCTION**

The accounting and reporting framework and significant accounting principles and practices of Ozark County Health Department are presented in subsequent sections of this note. The remainder of the notes present additional information and required disclosures for the department's financial status and activities for the fiscal year end December 31, 2022.

The financial statements are prepared and presented in accordance with the modified cash basis of accounting which is explained in Note I.B.3. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). The financial statements apply generally accepted accounting principles and Governmental Accounting Standards Board (GASB) pronouncements relevant to the modified cash basis of accounting.

**I.B. FINANCIAL REPORTING ENTITY – BASIS OF PRESENTATION**

**I.B.1. COMPONENT UNITS**

The Ozark County Health Department is a public health department established for improving and maintaining the health of Ozark County residents. The reporting entity includes the governing board and any related organizations for which it exercises oversight responsibility.

Management has developed criteria to determine whether outside entities with activities which benefit the Department, including joint agreements which serve outside members, should be included within the financial reporting entity. The criteria includes, but is not limited to, whether the Department exercises oversight responsibility (which includes financial dependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

Management has determined no outside entity meets this criteria. Therefore, no other entity is included in the financial statements.

## **I.B.2. GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS**

### **Government-Wide Financial Statements**

The government-wide financial statements are the Statement of Net Position – Modified Cash Basis and the Statement of Activities – Modified Cash Basis. These financial statements present information for the Department as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and grants.

The Statement of Activities – Modified Cash Basis presents the expenses by function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities. Program revenues include: (1) charges for services which are fees and other charges to users of the department's services; (2) operating grants and contributions which finance annual operating activities; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues may be subject to externally imposed restrictions to the program uses. Taxes and other revenue sources not designated or restricted to specific functions are presented as general revenues.

### **Fund Financial Statements**

Fund financial statements are presented for the General Fund which is the department's major governmental fund. A set of self-balancing accounts consisting of assets, fund equity, revenues, and expenditures are used to account for the financial resources and activities of the fund.

## **I.B.3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Measurement focus is a term used to describe "how" transactions are recorded. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

The government-wide financial statements present data using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recorded when cash is received. Expenses are recorded when cash is disbursed.

Governmental fund financial statements present data using the current financial resources measurement focus and the modified cash basis of accounting. Revenues are recognized when cash is received. Expenditures are recorded when cash is disbursed.

Only current financial assets and net position or fund balances are presented using the "current financial resources" measurement focus. The operating statement presents sources and uses of the current financial resources during a given period.

## **I.C. ASSETS AND FUND EQUITY**

### **I.C.1. CASH**

The Department pools cash for all governmental programs and functions. Cash deposits are reported at carrying amount which reasonably estimates fair value.

## **I.C.2. CAPITAL ASSETS AND DEPRECIATION**

Capital asset costs are presented as current expenditures when incurred. Capital assets, accumulated depreciation, and depreciation expense are not presented in the government wide or fund financial statements in accordance with the cash basis presentation.

## **I.C.3. FUND EQUITY**

The governmental fund financial statements present restricted fund balance for amounts not available for appropriation or legally restricted for specified purposes. The General Fund presents restricted fund balance for Food Pantry operations & which result from unspent revenues from fundraising activities and donations. The General Fund also presents restricted fund balance for a community wellness project as a result of unspent grant revenues.

Department policy requires first the use of restricted, then assigned, and lastly unassigned funds for eligible expenditures when available.

## **II. DETAILED NOTES ON FUNDS**

### **II.A. ASSETS**

#### **II.A.1. DEPOSITS**

##### **Deposits**

Custodial Credit Risk is the risk, in the event of a bank failure, deposits may not be returned or collateral securities in the possession of an outside party would not be recovered. Department policy requires deposits to be 100 percent secured by Federal Deposit Insurance Corporation insurance (FDIC) or pledged collateral securities valued at market price. Deposited funds may be invested in certificates of deposit in institutions with an established record of fiscal health and service. Collateral agreements must be approved prior to deposit of funds as provide by law. The Board of Trustees approves and designates an authorized depository institution based on evaluation of solicited responses and certifications.

The deposits are insured by FDIC insurance.

#### **II.A.2. CAPITAL ASSETS**

Capital asset costs are presented as current expenditures when incurred in the government wide Statement of Activities – Modified Cash Basis and the Statement of Modified Cash Basis Receipts, Disbursements, and Changes in Modified Cash Basis Fund Balance in the governmental funds financial statements in accordance with the cash basis presentation.

## **II.B. REVENUES AND EXPENDITURES**

### **II.B.1. TAXES, ASSESSED VALUATION, AND PROPERTY TAX LEVY RATE**

#### **Taxes**

Property taxes are levied on November 1 and payable by December 31. Property taxes levied attach as an enforceable lien on real property on January 1. Ozark County government assesses and collects property taxes levied by the Department.

#### **Assessed Valuation**

Assessed valuation of taxable property within the taxing authority of the Department for tax year 2022 for the purpose of local taxation was:

Residential	\$ 69,923,940
Agricultural	6,334,210
Commercial	18,179,466
Personal	<u>35,674,845</u>
Total	<u>\$ 130,112,461</u>

#### **Property Tax Levy Rate**

The tax levy rate per \$ 100 of assessed valuation of taxable property within the taxing authority of the Department for tax year 2022 for the purpose of local taxation is \$.0916.

The receipts of current and delinquent property taxes during the year were 100.31 percent of the assessment for the 2022 tax year.

### **II.D.2. COMPENSATED ABSENCES COMPENSATION**

Compensation for employee vacation time, comp time, personal days, and sick leave are recorded as expenditures in the year paid. Unused accrued amounts vested in the employee are payable upon termination.

## **III. EMPLOYEE RETIREMENT PLAN**

Ozark County Health Department participates in a deferred compensation plan by matching up to 2% of annual salaries for eligible employees. The plan is administered through Life Insurance Company of the Southwest. The plan is qualified under the Internal Revenue Code Section 403b as tax-exempt. Eligible participants are full-time employees with six months of employment. The Department contributed \$3,715 to the plan which was equal to the required employer match contribution for the year.



The following schedule presents employer retirement contribution rates and retirement contribution costs for the years ended December 31, 2022, 2021, and 2020 all required retirement plan contributions have been made by the Department for these periods.

<u>2022</u>		<u>2021</u>		<u>2020</u>	
<u>Rate</u>	<u>Cost</u>	<u>Rate</u>	<u>Cost</u>	<u>Rate</u>	<u>Cost</u>
2%	\$3,715	2%	\$4,389	2%	\$4,522

#### **IV. RISK MANAGEMENT**

The Department can be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Department is a member of Missouri Public Entity Risk Management Fund, a shared-risk pool of public entities in Missouri with over 800 members. MOPERM uses an annual actuarial study to determine potential cost of loss and for establishing rating structures. MOPERM also uses each member's own specific exposures and loss history to determine its annual premium. MOPERM provides general liability, employment practices liability, medical malpractice liability, errors & omissions, & automobile physical damage coverage to limit the risk of loss. Commercial insurance has been acquired to provide real property coverage to limit the risk of loss. The Department has workers compensation and employers liability insurance thru Nationwide Insurance.

#### **V. CONTINGENCIES**

##### **V.A. CLAIMS AND LITIGATION**

The Department can be exposed to potential claims or litigation in the course of business. Management is unaware of any pending or threatened claims or litigation involving the Department.

##### **V.B. GRANTS**

The Department received grants for specific purposes which can be subject to review and audit by the grantor for compliance with the terms of the grants. Reviews and audits could result in required reimbursements by the Department or withholding of future grant funds for noncompliance. Management is unaware of any noncompliance in the grant programs.

#### **VI. SUBSEQUENT EVENTS**

In accordance with FASB Accounting Codification Topic 855, Subsequent Events, Ozark County Health Department has evaluated subsequent events through July 25, 2023 which is the date these financial statements were available to be issued. No events requiring recognition or disclosure in the financial statements were identified.

## **OTHER INFORMATION**

**OZARK COUNTY HEALTH DEPARTMENT  
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS, AND  
CHANGES IN CASH BASIS FUND BALANCES - BUDGET AND ACTUAL  
GENERAL (INCIDENTAL) FUND  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**(UNAUDITED)**

	<b>Original Budget</b>	<b>Actual</b>	<b>Budget to Actual Variance</b>
<b>REVENUES:</b>			
Local	\$ 156,745	\$ 127,958	\$ (28,787)
County	5,000	2,218	(2,782)
State	-	1,354	1,354
Federal	322,329	241,234	(81,095)
Private Grants	7,200	4,500	(2,700)
Investment income	91	125	35
Other	2,700	292	(2,408)
Total Revenues	<u>494,065</u>	<u>377,680</u>	<u>(116,385)</u>
<b>EXPENDITURES:</b>			
Salaries & employee benefits	358,549	298,790	(59,759)
Office Expenses	45,198	34,601	(10,597)
Other Expenses	40,200	84,876	44,676
Total Expenditures	<u>443,947</u>	<u>418,267</u>	<u>(25,680)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	50,118	(40,587)	(90,705)
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>171,421</u>	<u>171,421</u>	<u>-</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 221,539</u>	<u>\$ 130,834</u>	<u>\$ (90,705)</u>